

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2012</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>KEYSTONE EMPLOYEES' RETIREMENT PLAN FOR INACTIVE EMPLOYEES</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>461</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2006</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>461</u>	1c Effective date of plan <u>01/01/2006</u>	
1b Three-digit plan number (PN) ▶	<u>461</u>				
1c Effective date of plan <u>01/01/2006</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>KEYSTONE CONSOLIDATED IND. , INC.</u> <u>5430 LBJ FREEWAY, SUITE 1740</u> <u>DALLAS, TX 75240</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>37-0364250</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>972-458-0028</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>332900</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>37-0364250</u>	2c Sponsor's telephone number <u>972-458-0028</u>	2d Business code (see instructions) <u>332900</u>	
2b Employer Identification Number (EIN) <u>37-0364250</u>					
2c Sponsor's telephone number <u>972-458-0028</u>					
2d Business code (see instructions) <u>332900</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature. Signature of plan administrator	<u>10/14/2013</u> Date	<u>BERT E. DOWNING, JR.</u> Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature. Signature of employer/plan sponsor	<u>10/14/2013</u> Date	<u>BERT E. DOWNING, JR.</u> Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year		5 6141
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	0
b Retired or separated participants receiving benefits.....	6b	3289
c Other retired or separated participants entitled to future benefits.....	6c	1503
d Subtotal. Add lines 6a , 6b , and 6c	6d	4792
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	1164
f Total. Add lines 6d and 6e	6f	5956
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	0
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1G		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>KEYSTONE EMPLOYEES' RETIREMENT PLAN FOR INACTIVE EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>461</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>KEYSTONE CONSOLIDATED IND. , INC.</u>	D Employer Identification Number (EIN) <u>37-0364250</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2012</u>	
2 Assets:	
a Market value	2a <u>407909208</u>
b Actuarial value	2b <u>414994970</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>4596</u> (1) Number of participants <u>237791011</u> (2) Funding Target
b For terminated vested participants.....	3b <u>1658</u> <u>32656670</u>
c For active participants:	
(1) Non-vested benefits.....	3c(1) <u>0</u>
(2) Vested benefits.....	3c(2) <u>0</u>
(3) Total active	3c(3) <u>0</u>
d Total	3d <u>6254</u> <u>270447681</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.85 %</u>
6 Target normal cost.....	6 <u>431721</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>09/27/2013</u>
<u>ERIC ROLLING</u>	Signature of actuary	Date
<u>DELOITTE CONSULTING, LLP</u>	Type or print name of actuary	<u>11-05719</u>
<u>50 SOUTH 6TH STREET, SUITE 2800</u> <u>MINNEAPOLIS, MN 55402-1538</u>	Firm name	Most recent enrollment number
	Address of the firm	<u>612-397-4000</u>
		Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	11224673	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)	11224673	0
10	Interest on line 9 using prior year's actual return of <u>-3.49%</u>	-391741	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		0
b	Interest on (a) using prior year's effective interest rate of <u>6.08%</u> except as otherwise provided (see instructions)		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	10832932	0

Part III Funding Percentages			
14	Funding target attainment percentage	14	149.44 %
15	Adjusted funding target attainment percentage	15	153.44 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	141.27 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No	
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No	
c If line 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 5.54%	2nd segment: 6.85%	3rd segment: 7.52 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	431721	
b Excess assets, if applicable, but not greater than line 31a	31b	431721	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment			
b Waiver amortization installment			
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37		
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2012
		This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan KEYSTONE EMPLOYEES' RETIREMENT PLAN FOR INACTIVE EMPLOYEES	B Three-digit plan number (PN) ▶ 461
C Plan sponsor's name as shown on line 2a of Form 5500 KEYSTONE CONSOLIDATED IND. , INC.	D Employer Identification Number (EIN) 37-0364250

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

U.S. BANK

41-6271370

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
26	NONE	95898	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

DELOITTE CONSULTING LLP

13-5133500

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	67104	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

SUTTON FROST CARY LLP

75-2593210

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	19140	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <hr/> 2012 <hr/> This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>KEYSTONE EMPLOYEES' RETIREMENT PLAN FOR INACTIVE EMPLOYEES</u>	B Three-digit plan number (PN)	<u>461</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>KEYSTONE CONSOLIDATED IND. , INC.</u>	D Employer Identification Number (EIN) <u>37-0364250</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
---------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: <u>COMBINED MASTER RETIREMENT TRUST</u>		
b Name of sponsor of entity listed in (a): <u>US BANK NATL ASSOC</u>		
c EIN-PN <u>75-2832229-001</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>442863890</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>COMBINED MASTER RET TRUST SUBTRUST</u>		
b Name of sponsor of entity listed in (a): <u>US BANK NATL ASSOC</u>		
c EIN-PN <u>75-2832229-002</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>138195</u>
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012		
A Name of plan KEYSTONE EMPLOYEES' RETIREMENT PLAN FOR INACTIVE EMPLOYEES	B Three-digit plan number (PN) ►	461
C Plan sponsor's name as shown on line 2a of Form 5500 KEYSTONE CONSOLIDATED IND. , INC.	D Employer Identification Number (EIN) 37-0364250	

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	35	180
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	407909207	443002085
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	407909242	443002265

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	96341	67104
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	96341	67104

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	407812901	442935161
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		65020829
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		26758
d Total income. Add all income amounts in column (b) and enter total.....	2d		65047587

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	29532171	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		29532171
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	86244	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	306912	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		393156
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		29925327

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		35122260
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: SUTTON FROST CARY LLP

(2) EIN: 75-2593210

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		15000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	X		443002085
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

Part V Trust Information (optional)

6a Name of trust

6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>KEYSTONE EMPLOYEES' RETIREMENT PLAN FOR INACTIVE EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>461</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KEYSTONE CONSOLIDATED IND. , INC.</u>	D Employer Identification Number (EIN) <u>37-0364250</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>41-6271370</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>1</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☒ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2012
v. 120126

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 46% Investment-Grade Debt: 11% High-Yield Debt: 1% Real Estate: 0% Other: 42%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☒ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):



Sutton Frost Cary LLP

A Limited Liability Partnership
Certified Public Accountants and Consultants

Report of Independent Auditors

To the Participants and Administrator of
Keystone Employees' Retirement Plan for Inactive Participants:

We have audited the accompanying financial statements of the Keystone Employees' Retirement Plan for Inactive Participants ("Plan"), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Keystone Employees' Retirement Plan for Inactive Participants as of December 31, 2012 and 2011, and the changes in its net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets (Held at End of Year) referred to as "supplemental information," is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



A Limited Liability Partnership
Certified Public Accountants

October 7, 2013
Arlington, Texas

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

► **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2012**This Form is Open to Public
Inspection**

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

► **Round off amounts to nearest dollar.**► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.**A** Name of plan

Keystone Employees' Retirement Plan for Inactive Participants

B Three-digit
plan number (PN) ►

461

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

Keystone Consolidated Industries, Inc.

D Employer Identification Number (EIN)

37-0364250

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B**F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500**Part I Basic Information****1** Enter the valuation date: Month 1 Day 1 Year 2012**2** Assets:**a** Market value **2a** 407,909,208**b** Actuarial value **2b** 414,994,970**3** Funding target/participant count breakdown:**(1) Number of participants****(2) Funding Target****a** For retired participants and beneficiaries receiving payment **3a** 4,596 237,791,011**b** For terminated vested participants **3b** 1,658 32,656,670**c** For active participants:(1) Non-vested benefits **3c(1)** 0(2) Vested benefits **3c(2)** 0(3) Total active **3c(3)** 0 0**d** Total **3d** 6,254 270,447,681**4** If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐**a** Funding target disregarding prescribed at-risk assumptions **4a****b** Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor **4b****5** Effective interest rate **5** 6.85 %**6** Target normal cost **6** 431,721**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN
HERE**

EJR

Signature of actuary

9/27/2013

Date

ERIC ROLING

11-5719

Type or print name of actuary

Most recent enrollment number

DELOITTE CONSULTING LLP

(612) 397-4000

Firm name

Telephone number (including area code)

50 SOUTH 6TH STREET, SUITE 2800

MINNEAPOLIS

MN 55402-1538

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2012
v. 120126

Part II Beginning of Year Carryover Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	11,224,673	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	11,224,673	0
10 Interest on line 9 using prior year's actual return of <u>(3.49)</u> %	(391,741)	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b Interest on (a) using prior year's effective interest rate of <u>6.08</u> % except as otherwise provided (see instructions)		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	10,832,932	0

Part III Funding Percentages

14 Funding target attainment percentage	14	149.44 %
15 Adjusted funding target attainment percentage	15	153.44 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	141.27 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 5.54 %	2nd segment: 6.85 %	3rd segment: 7.52 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.		☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.		☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.		☐ Yes ☒ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....		27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....		31a	431,721
b Excess assets, if applicable, but not greater than line 31a		31b	431,721
32 Amortization installments:			
		Outstanding Balance	Installment
a Net shortfall amortization installment.....		0	0
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..		34	0
		Carryover balance	Prefunding balance
35 Balances elected for use to offset funding requirement.....		0	0
36 Additional cash requirement (line 34 minus line 35).....		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....		37	0
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected		☐ 2 plus 7 years ☐ 15 years	
b Eligible plan year(s) for which the election in line 41a was made		☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011	
42 Amount of acceleration adjustment		42	
43 Excess installment acceleration amount to be carried over to future plan years		43	

***Schedule SB, line 22 – Description of Weighted Average Retirement
Age***

The plan has no active participants.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Actuarial Methods for Funding, Expense and Present Value of Accrued Benefits

Liability Valuation Method

Funding Target and Target Normal Cost as Defined in PPA

The funding target is defined to be the present value of the benefits accrued or earned at valuation date. The earned benefits include retirement-type benefits and ancillary benefits (1.430(d)-1(c)(1)(i)). If the amount of a benefit that is expected to be paid is neither a function of the accrued benefit at the time the benefit is expected to be paid nor a function of the participant's service at that time, then the portion of the benefit taken into account for purposes of determining the funding target for a plan year is based on the proportion of a participant's service as of the first day of the plan year relative to the service the participant will have when the participant decrements. The portion of the benefit that is taken into account in the target normal cost is the increase in the proportional benefit for the plan year (1.430(d)-1(c)(1)(ii)(C)). The determination of the funding target and target normal cost of a plan for a plan year is not permitted to take into account any limitations or anticipated limitations under section 436 (1.430(d)-1(c)(1)(iii)).

The target normal cost is the present value of all the benefits expected to accrue or to be earned during the year (benefits attributable to services performed in a prior year that are increased by reason of a compensation increase in the current year are treated as having accrued during the current year). Plan administrative expenses paid (or expected to be paid) from plan assets for a plan year are not reflected in the determination of a plan's funding target for that plan year (1.430(d)-1(c)(2)), but are reflected in the determination of a plan's target normal cost.

Generally if insurance contracts are held by the Plan, they are included in plan assets and the related benefits are included in the liability. In the case of benefits that are funded through insurance contracts purchased from an insurance company licensed under the laws of a State, the Plan is permitted to exclude the benefits from the liability and the insurance policy from the assets, but only to the extent that the right to receive benefits is an irrevocable contractual right based on premiums paid prior to the valuation date (1.430(d)-1(c)(3)).

The determination of a plan's funding target and target normal cost for a plan year is based on plan provisions that are adopted no later than the valuation date for the plan year and that become effective during that plan year. Section 412(d)(2) applies for purposes of determining whether a plan amendment is treated as having been adopted on the first day of the plan year (including a plan amendment adopted within two and one half months after the close of the plan year) (1.430(d)-1(d)).

For maximum deductible purposes, the cushion amount is equal to the sum of 50 percent of the funding target for the plan year and the amount the funding target for the plan year would increase if the Plan were to take into account increases in compensation which are expected to occur in succeeding plan years. If the Plan does not base benefits for service to date on compensation, increases in benefits which are expected to occur in succeeding plan years (determined on the basis of the average annual increase in benefits over the six preceding plan years) are taken into account in lieu of expected increases in compensation. For plans that have less than 100 participants, increases in benefits for highly compensated employees as a result of plan amendments within the last two years are excluded from the calculation of the cushion amount.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (Continued)

Projected Unit Credit Method for determining the Net Periodic Pension Cost under ASC 715-30

ASC 715-30 requires that the Projected Unit Credit actuarial cost method be used to determine the service cost and the projected benefit obligation. Under this method, the benefits expected to be paid to each participant are projected to retirement based on the applicable actuarial assumptions. The projected benefits are then divided on a pro-rata basis over the applicable years of service. For purposes of this funding method, the applicable years of service commence at the age at which the funding eligibility conditions are first met and extend to the date each particular projected benefit is expected to be payable, or, if earlier, the date at which the credited service requirements for each particular benefit are satisfied.

The Service Cost for the year is equal to the actuarial present value of the benefits allocated to the current year in accordance with the funding method and includes interest to the end of the fiscal year. The Projected Benefit Obligation is equal to the actuarial present value of all benefits allocated to years prior to the valuation date. Note, however, that as a participant ages, the normal cost can be expected to increase as a percentage of compensation. Therefore, to the extent the weighted average age of the active participants increases over time, the underlying level of costs (as a percentage of compensation) can be expected to increase.

Asset Valuation Method

Funding Purposes: Plan assets are determined using the two-year averaging method as set forth in Notice 2009-22. Under this method, the actuarial value of assets is the average of the fair market value of the assets on the valuation date and the adjusted fair market value of assets determined as of each of the earlier determination dates. The adjusted fair market value of assets as of a determination date is the market value of assets on that date, increased by contributions that were not included in the plan's asset balance on the determination date and decreased by benefits and administrative expenses between that determination date and the valuation date plus an adjustment for expected earnings as the sum of the expected earnings separately determined for each period between the determination date and the valuation date. The adjustment for expected earnings in 2011 is limited to 6.57% and for 2010 is limited to 6.82%. The calculated value is then further constrained to be no more than 110% of the market value of assets plus discounted receivable contributions and no less than 90% of the market value of assets plus discounted contributions.

Net Periodic Pension Cost (Expense) Purposes: The market-related value of assets is equal to the market value of assets.

ASC 960 Purposes: Plan assets are equal to the market value of assets plus receivable contributions.

***Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
(Continued)***

Procedures

Financial and census data: Financial data was submitted by the Trustee and census data was submitted by the plan sponsor. Information provided was reviewed for internal consistency and we have no reason to doubt its substantial accuracy.

No benefits of materiality were excluded from the valuation of the liabilities.

The limitations of the Internal Revenue Code 415(b) and 401(a)(17) have been incorporated into our calculations.

No liability is included for participants who terminated without vesting in their benefit prior to the valuation date.

The plan sponsor provided us with the data on its employees as of the valuation date, but only those employees who have completed the Plan's eligibility requirements are included in the valuation of liabilities.

Present Value of Accrued and Vested Benefits (ASC 960)

For inactive participants, accrued benefits were either supplied by the Company or estimated. The present value of accrued benefits was determined by multiplying the accrued pension benefits by single premium cost factors based on the applicable actuarial assumptions for accrued benefits. The additional benefit of \$171.30 per month for 2012 for select 1114 participants was calculated based on the assumption that the entire amount was payable as of the beginning of the year without discounting.

Method Changes Since Last Year

There were no method changes since the prior valuation.

Keystone Employees' Retirement Plan for Inactive Participants
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Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (Continued)

Actuarial Assumptions

Interest Rates	<p>Funding Target Pre-MAP-21 (September 2011):</p> <table> <tr><td>First Segment Rate:</td><td>2.06%</td></tr> <tr><td>Second Segment Rate:</td><td>5.25%</td></tr> <tr><td>Third Segment Rate:</td><td>6.32%</td></tr> <tr><td>Effective Interest Rate:</td><td>5.20%</td></tr> </table> <p>Funding Target and ASC 960 MAP-21:</p> <table> <tr><td>First Segment Rate:</td><td>5.54%</td></tr> <tr><td>Second Segment Rate:</td><td>6.85%</td></tr> <tr><td>Third Segment Rate:</td><td>7.52%</td></tr> <tr><td>Effective Interest Rate:</td><td>6.85%</td></tr> </table> <p>ASC 715-30: 3.89% per annum (at January 1, 2012)</p>	First Segment Rate:	2.06%	Second Segment Rate:	5.25%	Third Segment Rate:	6.32%	Effective Interest Rate:	5.20%	First Segment Rate:	5.54%	Second Segment Rate:	6.85%	Third Segment Rate:	7.52%	Effective Interest Rate:	6.85%
First Segment Rate:	2.06%																
Second Segment Rate:	5.25%																
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First Segment Rate:	5.54%																
Second Segment Rate:	6.85%																
Third Segment Rate:	7.52%																
Effective Interest Rate:	6.85%																
Expected Return on Assets (ASC 715)	10.00%																
Mortality	<p>Funding Target: As defined in proposed regulations 1.430(h)(3). This table is based on the RP2000 sex-distinct table that reflects projected mortality improvements 15 years into the future from the valuation date for non-annuitants and 7 years into the future for annuitants.</p> <p>ASC 715-30 and ASC 960: RP2000 Combined Mortality Table for Males and Females with Blue Collar Adjustments projected to 2014</p>																
Withdrawal	N/A																
Retirement	<p><u>For vested terminated participants:</u></p> <p>For Bartonville and Steel and Wire, the earlier of age 62 with 15 years of service or age 65. For all others, age 65.</p>																
Form of Payment	Life annuity																
Expenses	<p>Funding Target: \$431,721 assumed to be included in Target Normal Cost. Equal to prior year actual administrative expenses.</p> <p>ASC 715-30: None assumed.</p>																
Percentage of Married	80% are assumed to be married. Husbands are assumed to be three years older than wives for all groups.																
Disability	N/A																
Medicare Reimbursement COLA	3% per year																
Maximum Benefit Provided by Plan	\$195,000 per year, adjusted for form of benefit and early commencement.																
Section 401(a)(17) and 415(b) limits projection rate (ASC 715)	4.00%																
Average Remaining Lifetime (ASC 715)	16.31 years at January 1, 2012																
Assumption Changes Since Last Year	<p>Funding Target: The discount rates and mortality table were updated per IRS requirements.</p> <p>ASC 715-30: The discount rate was changed to 3.89% as of January 1, 2012 from 4.83% used as of January 1, 2011 and 5.03% used as of April 1, 2011. Mortality was updated as of December 31, 2011 to project mortality improvements to 2014.</p> <p>ASC 960: The discount rate was changed to MAP segment rates as of January 1, 2012 from 8.50% used as of January 1, 2011. Mortality was updated as of January 1, 2012 to project mortality improvements to 2014.</p>																

Keystone Employees' Retirement Plan for Inactive Participants
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Schedule SB, Part V – Summary of Plan Provisions

Plan Provisions Summary

	Former Desoto	Former Keystone-Bartonville	Former Keystone Steel and Wire	Former Sherman Wire	Former Price Brothers Company (#13 EWP)
Effective date of plan	January 1, 2006	January 1, 2006	January 1, 2006	January 1, 2006	January 1, 2006
Date last amended	N/A	N/A	N/A	N/A	N/A
Plan year	January 1 to December 31	January 1 to December 31	January 1 to December 31	January 1 to December 31	January 1 to December 31
Eligibility for participation	All permanent employees of the employer become participants on their date of employment, including former participants of the J.L. Prescott Employees' Retirement Plan as of December 31, 1993.	All permanent, collectively bargained employees of the employer who are employed by the employer at its Bartonville, Illinois, plant, become participants on their employment date. Effective August 12, 2004 no new employee can participate in the plan .	All permanent salaried employees and hourly employees not covered by a collective bargaining agreement become participants as of their employment date as long as they are employed at one of the following locations and the plan has been extended to employees of such location: the corporate headquarters in Dallas, Texas; the Keystone Steel & Wire Division in Bartonville, Illinois; the Sherman Wire Division in Sherman, Texas, for plan years beginning on or after July 1, 1988; the Keystone Fasteners Division in Springdale, Arkansas; Wire Products Company, a subsidiary of the Company in Hortonville, Wisconsin; and for plan years beginning on or after July 1, 1989, the Sherman Wire of Caldwell, Inc. subsidiary of the Company in Caldwell, Texas. Effective August 12, 2004 no new employee can participate in the plan.	All permanent employees of the employer represented for purposes of collective bargaining by Local Lodge 2082 of the International Machinists and Aerospace Workers and employed at the facility in Sherman, Texas, become participants on their employment date.	All employees of the employer covered by the collective bargaining agreement of Teamsters Local #40 and employed at Engineered Wire Products, Inc. become participants on their employment date.
Year of vesting service	A plan year in which the employee completes at least 1,000 hours of service. Service does not accrue after December 31, 1998.	Each full and fractional 12-consecutive-month period of continuous service with an employer.	Each full and fractional 12-consecutive-month period of employment with an employer .	A plan year during which the employee completes 1,000 hours of service.	A plan year during which the employee completes 1,000 hours of service.
Accumulated service	N/A	All periods of employment with an employer while a participant, regardless of whether separated by a break in continuous service.	N/A	N/A	N/A
Year of benefit service	A plan year in which the covered employee completes at least 1,000 hours of service. Service does not accrued after December 31, 1998.	N/A	Each full and fractional 12-consecutive-month period of employment with an employer.	A plan year during which the covered employee completes 1,000 hours of service.	A plan year during which the covered employee completes 1,710 hours of service, not to exceed 40 years. Partial credit is granted for less than 1,710 hours.
Monthly average earnings	N/A	Total cash compensation for services rendered to an employer as a covered employee, including base pay and currently paid incentives averaged over the five calendar years that produce the highest average.	The monthly average of the earnings paid to a participant during any calendar year.	N/A	N/A

Schedule SB, Part V – Summary of Plan Provisions (Continued)

	Former Desoto	Former Keystone-Bartonville	Former Keystone Steel and Wire	Former Sherman Wire	Former Price Brothers Company (#13 EWP)
Recognized compensation / Earnings	N/A	Regular salary and wages subject to withholding, including base pay and other currently paid incentives accrued during the plan year.	Total cash compensation for services rendered for an employer as a covered employee, including overtime, bonuses, commissions, incentive compensation and salary deferral amounts under Section 401(k).	N/A	N/A
Monthly average wage base earnings	N/A	N/A	The monthly average of the total amount of earnings paid to a participant during any calendar year and considered as wages under Section 3121(a)(1) of the Internal Revenue Code.	N/A	N/A
Normal retirement date	For DeSoto participants, the earlier of age 62 and 20 years of service and age 65. For Prescott participants, age 65.	The first of the month following the attainment of age 65 and the fifth anniversary of the first day of the plan year participation commenced, but in no event later than age 66.	The earlier of the first of the month following (a) the attainment of age 62 and completion of 15 years of vesting service, (b) the attainment of age 65 and completion of five years of vesting service or (c) for an employee who retires due to permanent plant shutdown or layoff (i) with the combination of age and vesting service equal to at least 70 and after the attainment of age 55 or (ii) with the combination of age and vesting service equal to at least 80.	The first day of the month coincident with or following the attainment of age 65 and the fifth anniversary of the first day of the plan year in which participation commenced.	The later of the first day of the month coincident with or following the attainment of age 65 and fifth anniversary of participation.
Special early retirement date	N/A	The earlier of age 62 and completion of 15 years of vesting service, or 30 years of accumulated service, or for an employee who terminates due to permanent plant shutdown or layoff, either a combination of age and vesting service equal to at least 70 with attained age of 55 or a combination of age and vesting service equal to at least 80.	N/A	N/A	N/A
Early retirement date	Age 55 and ten years of service.	The first of the month following the attainment of age 60 and completion of 15 years of vesting service or age 55 and completion of 20 years of vesting service.	The first of the month coincident with or following the attainment of age 60 and completion of 15 years of vesting service.	The first day of the month coincident with or following the attainment of age 60 with the combination of age and years of service equal to 85 or more .	The first day of the month coincident with or following the attainment of age 55 and the completion of 15 years of vesting service.
Disability retirement date	N/A	The first day of the month coincident with or following retirement as a result of "total and permanent" disability after the completion of 15 years of vesting service.	The first day of the month coincident with or following retirement as a result of "total and permanent" disability after the completion of 15 years of vesting service.	The first day of the month coincident with or following retirement as a result of "total and permanent" disability after the completion of 15 years of vesting service.	The first day of the month, six months after the plan administrator determines that the participant is disabled and the attainment of age 50 with the completion of 15 years of vesting service. Proof of social security disability payments or workers' compensation is required.

Keystone Employees' Retirement Plan for Inactive Participants
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Schedule SB, Part V – Summary of Plan Provisions (Continued)

	Former Desoto	Former Keystone-Bartonville	Former Keystone Steel and Wire	Former Sherman Wire	Former Price Brothers Company (#13 EWP)
Accrued monthly benefit	<p>Desoto Salaried Participants</p> <p>The greater of (a)-(b) or (c) below:</p> <p>(a) 1-2/3% of average monthly compensation multiplied by years of service, up to 35 years</p> <p>(b) Social Security allowance, as defined by .5% of the lesser of covered compensation and final three-year average compensation (each year limited to the Social Security taxable wage base), multiplied by years of service, up to 35 years</p> <p>(c) 1% of the average monthly compensation multiplied by total years of service</p> <p>Desoto Hourly Participants</p> <p>The greater of (a) or (b) below:</p> <p>(a) 1% of average monthly compensation multiplied by total years of service</p> <p>(b) \$50 per month</p> <p>Prescott Participants</p> <p>The greater of (a) + (b) or (c) below:</p> <p>(a) 3/4% of average monthly compensation multiplied by years of service, up to 35 years</p> <p>(b) 1/2% of the excess of average monthly compensation over covered compensation multiplied by years of service, up to 35 years</p> <p>(c) \$15 multiplied by years of service, up to 40 years.</p>	<p>Monthly benefit equal to the sum of (a) + (b) with a minimum of (c):</p> <p>(a) The participant's accrued benefit, if any, as of December 31, 1980, in an amount equal to 1.2% of the participant's monthly average earnings multiplied by the years of the participant's accumulated service earned prior to January 1, 1981, provided that such amount shall not be less than \$15 per month for each of the first 15 years of accumulated service earned prior to December 31, 1980, plus \$16 per month for each year of accumulated service from the fifteenth through the thirtieth year plus \$18 per month for each year in excess of 30 earned prior to December 31, 1980</p> <p>(b) An amount equal to 1.2% of the participant's recognized compensation up to the Social Security Taxable Wage Base, plus 1.75% of the participant's recognized compensation in excess of the Social Security Taxable Wage Base for each year of accumulated service after December 31, 1980</p> <p>(c) \$42 per month multiplied by years of benefit service.</p>	<p>Monthly benefit equal to the sum of (a) + (b) + (c) + (d) below:</p> <p>(a) The participant's accrued benefit, if any, as of June 30, 1982, in accordance with the terms of the predecessor plans</p> <p>(b) An amount equal to 1.2% of the participant's monthly average wage base earnings, plus 1.75% of the participant's monthly average earnings in excess of the participant's monthly average wage base earnings for each full and fractional year of service from July 1, 1982 through June 30, 1989</p> <p>(c) An amount equal to 1.2% of the participant's monthly average earnings, plus for nonhighly compensated employees, 0.55% of the participant's monthly average earnings in excess of the participant's monthly average wage base earnings for each full and fractional year of service from July 1, 1989 through December 31, 1993</p> <p>(d) An amount equal to 1.2% of the participant's monthly average earnings for each full and fractional year of service on or after January 1, 1994.</p>	<p>Monthly benefit equal to \$8 times years of benefit service for a participant retiring on or after September 1, 1984, and before September 1, 1985. For participants retiring on or after September 1, 1985, and before September 1, 1986, a monthly benefit equal to \$8.50 times years of benefit service. For participants retiring on or after September 1, 1986, and before September 1, 1987, a monthly benefit equal to \$9 times years of benefit service. For participants retiring on or after September 1, 1987, and before March 1, 1991, a monthly benefit equal to \$10 times years of benefit service. For participants retiring on or after March 1, 1991, a monthly benefit equal to \$12 times years of benefit service. For participants retiring on or after April 16, 2000 and before October 15, 2005, a monthly benefit equal to \$13 times years of benefit service. For participants retiring on or after October 16, 2005, a monthly benefit equal to \$15.00 times years of benefit service. No more than 30 years of benefit service shall be considered.</p>	<p>Monthly benefit equal to \$20 times years of benefit service for a participant retiring on or after December 1, 1998. No more than 40 years of benefit service shall be considered. The monthly benefit increases to \$21 effective December 1, 1999, and \$22 effective December 1, 2001.</p>
Normal retirement benefit	An amount equal to the accrued benefit payable monthly and commencing at the normal retirement date.	An amount equal to the accrued benefit payable monthly and commencing at the normal retirement date.	An amount equal to the accrued benefit payable monthly, and commencing at the normal retirement date.	An amount equal to the accrued benefit payable monthly, and commencing at the normal retirement date.	An amount equal to the accrued benefit payable monthly, and commencing at the normal retirement date.

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Schedule SB, Part V – Summary of Plan Provisions (Continued)

	Former Desoto	Former Keystone- Bartonville	Former Keystone Steel and Wire	Former Sherman Wire	Former Price Brothers Company (#13 EWP)										
Late retirement benefit	An amount equal to the accrued benefit payable monthly and commencing at the late retirement date, based upon benefit service to the late retirement date.	An amount equal to the accrued benefit payable monthly, and commencing at the late retirement date, based upon benefit service and compensation to the late retirement date.	An amount equal to the accrued benefit payable monthly, and commencing at the late retirement date, based upon benefit service and compensation to the late retirement date.	An amount equal to the accrued benefit payable monthly, and commencing at the late retirement date, based upon benefit service to the late retirement date.	An amount equal to the accrued benefit payable monthly, and commencing at the late retirement date, based upon benefit service to the late retirement date.										
Early retirement benefit	<p>For DeSoto participants, the accrued benefit at date of termination reduced by 0.5% for each month by which the commencement date precedes age 62, unless the participant terminates prior to age 55, in which case the reduction is from age 65</p> <p>For former Prescott employees, the accrued benefit at date of termination reduced by 0.3% for each of the first 60 months and 0.5% for any months in excess of 60, by which the commencement date precedes the normal retirement date.</p>	An amount equal to the accrued benefit if retiring on special early retirement date. Otherwise, an amount equal to the accrued benefit actuarially reduced from age 62.	An amount equal to the actuarial equivalent of the normal retirement benefit, adjusted so as to reflect the early commencement of payments.	<p>The accrued benefit at date of termination reduced by the following factors for payments beginning prior to normal retirement date:</p> <p><u>Retirement age Percentage</u></p> <table><tr><td>64</td><td>8.16%</td></tr><tr><td>63</td><td>15.40%</td></tr><tr><td>62</td><td>21.86%</td></tr><tr><td>61</td><td>27.64%</td></tr><tr><td>60</td><td>32.82%</td></tr></table>	64	8.16%	63	15.40%	62	21.86%	61	27.64%	60	32.82%	The accrued benefit at date of termination reduced by one-fifteenth for each of the first five years and one-thirtieth for each of the next five years by which the payment date precedes the normal retirement date.
64	8.16%														
63	15.40%														
62	21.86%														
61	27.64%														
60	32.82%														
Disability retirement benefit	N/A	An amount equal to the participant's accrued benefit as of the date of disability, payable monthly commencing as of normal retirement date. An additional \$300 per month will be paid until the participant is eligible for social security disability benefits.	An amount equal to the participant's accrued benefit as of the date of disability, based upon assumed service at normal retirement date, payable monthly commencing as of normal retirement date.	An amount equal to the accrued benefit payable monthly, and commencing at the disability retirement date, but no less than \$25 per month.	An amount equal to the accrued benefit payable monthly, and commencing at the disability retirement date.										
Deferred vested benefits	Any participant will be vested in his accrued benefit upon the completion of five years of vesting service.	A participant actively employed on or after January 1, 1989, will be vested in his accrued benefit at termination after completion of five years or more of vesting service	A participant actively employed on or after January 1, 1989, will be vested in his accrued benefit at termination prior to early retirement after the completion of five years or more of vesting service	Any participant employed on or after January 1, 1989, will be vested in his accrued benefit at termination prior to normal retirement after completion of five years or more of vesting service	Five years or more of vesting service required to be vested in accrued benefit, payable at normal retirement. Alternatively, may commence payments early reduced the same as early retirement benefit										
Preretirement spouse's death benefit	The vested portion of the accrued benefit that would have been payable to the surviving spouse, assuming the participant had separated from service on the date of death, survived to the early retirement date, retired with an immediate 50% joint and survivor pension, then died the following day.	The surviving spouse of a vested participant who dies prior to commencement of benefit is entitled to 50% of the benefit that the participant would have received if he/she terminated on the day prior to his/her death, survived to the latest retirement date and then retired. The benefit is reduced for early commencement and joint and survivor form of payment.	The surviving spouse of a vested participant who dies prior to commencement of benefit is entitled to 50% of the benefit that the participant would have received if he/she terminated on the day prior to his/her death, survived to the latest retirement date and then retired. The benefit is reduced for early commencement and joint and survivor form of payment.	The vested portion of the accrued benefit that would have been payable to the surviving spouse, assuming the participant had separated from service on the date of death, survived to the early retirement date (if applicable), retired with an immediate 50% joint and survivor pension, then died the following day.	The vested accrued benefit that would have been payable to the surviving spouse, assuming the participant had separated from service on the date of death, survived to the earliest retirement date (if applicable), retired with an immediate 50% joint and survivor pension, then died the following day.										

Schedule SB, Part V – Summary of Plan Provisions (Continued)

	Former Desoto	Former Keystone-Bartonville	Former Keystone Steel and Wire	Former Sherman Wire	Former Price Brothers Company (#13 EWP)
Supplemental surviving spouse's benefit	N/A	The surviving spouse of a retired or active participant with 15 years of service will receive, beginning the first of the month following the death of the participant, a monthly amount of 50% of the accrued benefit, reduced for joint and survivor option.	The surviving spouse of a retired or active participant with 15 years of service will receive, beginning the first of the month following the death of the participant, a monthly amount of 50% of the accrued benefit, reduced for joint and survivor option, subject to a minimum of \$125 per month until eligibility for social security survivor benefit, and \$75 thereafter.	N/A	N/A
Normal form of benefit	If single, life only annuity; if married, qualified 50% joint and survivor annuity that is the actuarial equivalent of the life only annuity.	If single, life only annuity; if married, qualified 50% joint and survivor annuity that is the actuarial equivalent of the life only annuity.	If single, life only annuity; if married, qualified 50% joint and survivor annuity that is the actuarial equivalent of the life only annuity.	If single, life only annuity; if married, qualified 50% joint and survivor annuity that is the actuarial equivalent of the life only annuity.	If single, life annuity; if married, qualified 50% joint and survivor annuity that is the actuarial equivalent of life annuity.
Optional forms of benefit	Married participants: (i) Life annuity (ii) Optional joint and survivor annuity options (75% or 100%) (iii) Ten-year certain and life annuity.	Annuity, level income life annuity, 50% or 100% joint and survivor.	Annuity, 50% or 100% joint and survivor	50%, 75% or 100% joint and survivor annuity.	5 or 10 years certain and life annuity.
Special provisions for certain groups	N/A	The Metalcrafters Hourly Plan was frozen as of April 15, 1983. Employees are eligible for unreduced early retirement after attainment of age 62. A vested terminated participant who commences benefits prior to age 65 may receive his accrued benefit as early as age 55 reduced by special early commencement factors.	<u>Supplement A</u> Applicable to those participants of the Keystone Consolidated Pension Plan or the Keystone Consolidated Pension Plan Supplement for Keystone Group - Bartonville Salaried Employees as of October 31, 1982, with ten years of vesting service as of such date. Supplement A participants are entitled to a special "rule of 90" normal retirement date if the sum of their age, plus years of vesting service total 90 or more. They are also entitled to a special "30 and out" retirement benefit, providing an unreduced immediate benefit payable in the normal form or as an actuarially equivalent level retirement income benefit. <u>Supplement B</u> Applicable to former employees of the Company who were participants in Keystone Consolidated Pension Plan Supplement for National Lock Division (the "National Lock plan"), Chicago Heights Salaried Pension Plan (the "Chicago Heights plan") or Keystone Chicago Heights Pension Plan (the "Keystone Chicago plan") immediately prior to the merger of the National Lock plan, Chicago Heights plan and Keystone Chicago plan into the Plan effective as of July 1, 1986. All benefit accruals under the National Lock plan were frozen as of June 30, 1982. All benefit accruals under the Chicago Heights plan and the Keystone Chicago plan were frozen as of December 19, 1985.	N/A	N/A

Schedule SB, Part V – Summary of Plan Provisions (Continued)

	Former Desoto	Former Keystone-Bartonville	Former Keystone Steel and Wire	Former Sherman Wire	Former Price Brothers Company (#13 EWP)
Special provisions for certain groups (continued)			<p><u>Supplement C</u> Applicable to those participants in the plan who were participants in the Keystone Consolidated Industries, Inc. Salaried Pension Plan immediately prior to its merger with the Keystone Steel & Wire Pension Plan effective as of June 30, 1989. Supplement C participants are entitled to a special "rule of 90" normal retirement date if the sum of their age plus years of vesting service totals 90 or more.</p> <p>The "early retirement date" of a Supplement C participant who was first credited with an hour of service before July 1, 1986, is the first day of the calendar month coincident with or next following the date he retires on or after attaining age 60 years and completing ten years of vesting service, but only with respect to benefits accrued on or before June 30, 1989. These participants are also entitled to special disability and preretirement spouse's death benefits.</p>		
Medicare Reimbursement	N/A	Employees who are entitled to retiree medical benefits are reimbursed for Medicare Part B coverage of \$96.40 per month for 2011 (applies to National Lock retirees) with annual cost of living increases.	N/A	N/A	N/A
Special Early Retirement Window	N/A	Employees listed in Appendix I of Plan are eligible for enhanced early retirement benefits. The enhanced benefit is equal to 150% of the pension income that is otherwise payable. Eligible employees must make election by November 17, 2000 and retire January 1, 2001.	Employees listed in Appendix I of Plan are eligible for enhanced early retirement benefits. The enhanced benefit is equal to 150% of the pension income otherwise payable. Eligible employees must make election by November 17, 2000 and retire January 1, 2001.	N/A	N/A

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Schedule SB, Part V – Summary of Plan Provisions (Continued)

	Former Desoto	Former Keystone-Bartonville	Former Keystone Steel and Wire	Former Sherman Wire	Former Price Brothers Company (#13 EWP)
Special payments for 1114 participants	None	<p>Effective August 1, 2008, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following payments from the plan:</p> <p>1) \$143 for the month of August 2008</p> <p>2) \$163 for the months of September – December 2008</p> <p>3) One-time payment of \$240 plus \$20 for each month in 2008 prior to September 2008</p> <p>Effective December 30, 2008, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following payments from the plan:</p> <p>1) \$160 per month for 2009.</p> <p>Effective January 1, 2010, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following additional payments from the plan:</p> <p>2) \$164 per month for 2010</p> <p>Effective January 1, 2011, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following additional payments from the plan:</p> <p>3) \$168.10 per month for 2011</p> <p>Effective January 1, 2012, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following additional payments from the plan:</p> <p>4) \$172.30 per month for 2012</p>	<p>Effective August 1, 2008, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following payments from the plan:</p> <p>1) \$143 for the month of August 2008</p> <p>2) \$163 for the months of September – December 2008</p> <p>3) One-time payment of \$240 plus \$20 for each month in 2008 prior to September 2008</p> <p>Effective December 30, 2008, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following payments from the plan:</p> <p>1) \$160 per month for 2009.</p> <p>Effective January 1, 2010, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following additional payments from the plan:</p> <p>2) \$164 per month for 2010</p> <p>Effective January 1, 2011, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following additional payments from the plan:</p> <p>3) \$168.10 per month for 2011</p> <p>Effective January 1, 2012, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following additional payments from the plan:</p> <p>4) \$172.30 per month for 2012</p>	None	None
Changes since prior valuation	None	<p>Effective January 1, 2012, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following additional payments from the plan:</p> <p>1) \$172.30 per month for 2012</p>	<p>Effective January 1, 2012, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following additional payments from the plan:</p> <p>1) \$172.30 per month for 2012</p>	None	None
Special Note	*This division was sold effective December 31, 1998. Benefits and service do not accrue after December 31, 1998.				

***Schedule SB, line 22 – Description of Weighted Average Retirement
Age***

The plan has no active participants.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Actuarial Methods for Funding, Expense and Present Value of Accrued Benefits

Liability Valuation Method

Funding Target and Target Normal Cost as Defined in PPA

The funding target is defined to be the present value of the benefits accrued or earned at valuation date. The earned benefits include retirement-type benefits and ancillary benefits (1.430(d)-1(c)(1)(i)). If the amount of a benefit that is expected to be paid is neither a function of the accrued benefit at the time the benefit is expected to be paid nor a function of the participant's service at that time, then the portion of the benefit taken into account for purposes of determining the funding target for a plan year is based on the proportion of a participant's service as of the first day of the plan year relative to the service the participant will have when the participant decrements. The portion of the benefit that is taken into account in the target normal cost is the increase in the proportional benefit for the plan year (1.430(d)-1(c)(1)(ii)(C)). The determination of the funding target and target normal cost of a plan for a plan year is not permitted to take into account any limitations or anticipated limitations under section 436 (1.430(d)-1(c)(1)(iii)).

The target normal cost is the present value of all the benefits expected to accrue or to be earned during the year (benefits attributable to services performed in a prior year that are increased by reason of a compensation increase in the current year are treated as having accrued during the current year). Plan administrative expenses paid (or expected to be paid) from plan assets for a plan year are not reflected in the determination of a plan's funding target for that plan year (1.430(d)-1(c)(2)), but are reflected in the determination of a plan's target normal cost.

Generally if insurance contracts are held by the Plan, they are included in plan assets and the related benefits are included in the liability. In the case of benefits that are funded through insurance contracts purchased from an insurance company licensed under the laws of a State, the Plan is permitted to exclude the benefits from the liability and the insurance policy from the assets, but only to the extent that the right to receive benefits is an irrevocable contractual right based on premiums paid prior to the valuation date (1.430(d)-1(c)(3)).

The determination of a plan's funding target and target normal cost for a plan year is based on plan provisions that are adopted no later than the valuation date for the plan year and that become effective during that plan year. Section 412(d)(2) applies for purposes of determining whether a plan amendment is treated as having been adopted on the first day of the plan year (including a plan amendment adopted within two and one half months after the close of the plan year) (1.430(d)-1(d)).

For maximum deductible purposes, the cushion amount is equal to the sum of 50 percent of the funding target for the plan year and the amount the funding target for the plan year would increase if the Plan were to take into account increases in compensation which are expected to occur in succeeding plan years. If the Plan does not base benefits for service to date on compensation, increases in benefits which are expected to occur in succeeding plan years (determined on the basis of the average annual increase in benefits over the six preceding plan years) are taken into account in lieu of expected increases in compensation. For plans that have less than 100 participants, increases in benefits for highly compensated employees as a result of plan amendments within the last two years are excluded from the calculation of the cushion amount.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (Continued)

Projected Unit Credit Method for determining the Net Periodic Pension Cost under ASC 715-30

ASC 715-30 requires that the Projected Unit Credit actuarial cost method be used to determine the service cost and the projected benefit obligation. Under this method, the benefits expected to be paid to each participant are projected to retirement based on the applicable actuarial assumptions. The projected benefits are then divided on a pro-rata basis over the applicable years of service. For purposes of this funding method, the applicable years of service commence at the age at which the funding eligibility conditions are first met and extend to the date each particular projected benefit is expected to be payable, or, if earlier, the date at which the credited service requirements for each particular benefit are satisfied.

The Service Cost for the year is equal to the actuarial present value of the benefits allocated to the current year in accordance with the funding method and includes interest to the end of the fiscal year. The Projected Benefit Obligation is equal to the actuarial present value of all benefits allocated to years prior to the valuation date. Note, however, that as a participant ages, the normal cost can be expected to increase as a percentage of compensation. Therefore, to the extent the weighted average age of the active participants increases over time, the underlying level of costs (as a percentage of compensation) can be expected to increase.

Asset Valuation Method

Funding Purposes: Plan assets are determined using the two-year averaging method as set forth in Notice 2009-22. Under this method, the actuarial value of assets is the average of the fair market value of the assets on the valuation date and the adjusted fair market value of assets determined as of each of the earlier determination dates. The adjusted fair market value of assets as of a determination date is the market value of assets on that date, increased by contributions that were not included in the plan's asset balance on the determination date and decreased by benefits and administrative expenses between that determination date and the valuation date plus an adjustment for expected earnings as the sum of the expected earnings separately determined for each period between the determination date and the valuation date. The adjustment for expected earnings in 2011 is limited to 6.57% and for 2010 is limited to 6.82%. The calculated value is then further constrained to be no more than 110% of the market value of assets plus discounted receivable contributions and no less than 90% of the market value of assets plus discounted contributions.

Net Periodic Pension Cost (Expense) Purposes: The market-related value of assets is equal to the market value of assets.

ASC 960 Purposes: Plan assets are equal to the market value of assets plus receivable contributions.

***Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
(Continued)***

Procedures

Financial and census data: Financial data was submitted by the Trustee and census data was submitted by the plan sponsor. Information provided was reviewed for internal consistency and we have no reason to doubt its substantial accuracy.

No benefits of materiality were excluded from the valuation of the liabilities.

The limitations of the Internal Revenue Code 415(b) and 401(a)(17) have been incorporated into our calculations.

No liability is included for participants who terminated without vesting in their benefit prior to the valuation date.

The plan sponsor provided us with the data on its employees as of the valuation date, but only those employees who have completed the Plan's eligibility requirements are included in the valuation of liabilities.

Present Value of Accrued and Vested Benefits (ASC 960)

For inactive participants, accrued benefits were either supplied by the Company or estimated. The present value of accrued benefits was determined by multiplying the accrued pension benefits by single premium cost factors based on the applicable actuarial assumptions for accrued benefits. The additional benefit of \$171.30 per month for 2012 for select 1114 participants was calculated based on the assumption that the entire amount was payable as of the beginning of the year without discounting.

Method Changes Since Last Year

There were no method changes since the prior valuation.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (Continued)

Actuarial Assumptions

Interest Rates	<p>Funding Target Pre-MAP-21 (September 2011):</p> <p>First Segment Rate: 2.06%</p> <p>Second Segment Rate: 5.25%</p> <p>Third Segment Rate: 6.32%</p> <p>Effective Interest Rate: 5.20%</p> <p>Funding Target and ASC 960 MAP-21:</p> <p>First Segment Rate: 5.54%</p> <p>Second Segment Rate: 6.85%</p> <p>Third Segment Rate: 7.52%</p> <p>Effective Interest Rate: 6.85%</p> <p>ASC 715-30: 3.89% per annum (at January 1, 2012)</p>
Expected Return on Assets (ASC 715)	10.00%
Mortality	<p>Funding Target: As defined in proposed regulations 1.430(h)(3). This table is based on the RP2000 sex-distinct table that reflects projected mortality improvements 15 years into the future from the valuation date for non-annuitants and 7 years into the future for annuitants.</p> <p>ASC 715-30 and ASC 960: RP2000 Combined Mortality Table for Males and Females with Blue Collar Adjustments projected to 2014</p>
Withdrawal	N/A
Retirement	<p><u>For vested terminated participants:</u></p> <p>For Bartonville and Steel and Wire, the earlier of age 62 with 15 years of service or age 65. For all others, age 65.</p>
Form of Payment	Life annuity
Expenses	<p>Funding Target: \$431,721 assumed to be included in Target Normal Cost. Equal to prior year actual administrative expenses.</p> <p>ASC 715-30: None assumed.</p>
Percentage of Married	80% are assumed to be married. Husbands are assumed to be three years older than wives for all groups.
Disability	N/A
Medicare Reimbursement COLA	3% per year
Maximum Benefit Provided by Plan	\$195,000 per year, adjusted for form of benefit and early commencement.
Section 401(a)(17) and 415(b) limits projection rate (ASC 715)	4.00%
Average Remaining Lifetime (ASC 715)	16.31 years at January 1, 2012
Assumption Changes Since Last Year	<p>Funding Target: The discount rates and mortality table were updated per IRS requirements.</p> <p>ASC 715-30: The discount rate was changed to 3.89% as of January 1, 2012 from 4.83% used as of January 1, 2011 and 5.03% used as of April 1, 2011. Mortality was updated as of December 31, 2011 to project mortality improvements to 2014.</p> <p>ASC 960: The discount rate was changed to MAP segment rates as of January 1, 2012 from 8.50% used as of January 1, 2011. Mortality was updated as of January 1, 2012 to project mortality improvements to 2014.</p>

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Schedule SB, Part V – Summary of Plan Provisions

Plan Provisions Summary

	Former Desoto	Former Keystone-Bartonville	Former Keystone Steel and Wire	Former Sherman Wire	Former Price Brothers Company (#13 EWP)
Effective date of plan	January 1, 2006	January 1, 2006	January 1, 2006	January 1, 2006	January 1, 2006
Date last amended	N/A	N/A	N/A	N/A	N/A
Plan year	January 1 to December 31	January 1 to December 31	January 1 to December 31	January 1 to December 31	January 1 to December 31
Eligibility for participation	All permanent employees of the employer become participants on their date of employment, including former participants of the J.L. Prescott Employees' Retirement Plan as of December 31, 1993.	All permanent, collectively bargained employees of the employer who are employed by the employer at its Bartonville, Illinois, plant, become participants on their employment date. Effective August 12, 2004 no new employee can participate in the plan .	All permanent salaried employees and hourly employees not covered by a collective bargaining agreement become participants as of their employment date as long as they are employed at one of the following locations and the plan has been extended to employees of such location: the corporate headquarters in Dallas, Texas; the Keystone Steel & Wire Division in Bartonville, Illinois; the Sherman Wire Division in Sherman, Texas, for plan years beginning on or after July 1, 1988; the Keystone Fasteners Division in Springdale, Arkansas; Wire Products Company, a subsidiary of the Company in Hortonville, Wisconsin; and for plan years beginning on or after July 1, 1989, the Sherman Wire of Caldwell, Inc. subsidiary of the Company in Caldwell, Texas. Effective August 12, 2004 no new employee can participate in the plan.	All permanent employees of the employer represented for purposes of collective bargaining by Local Lodge 2082 of the International Machinists and Aerospace Workers and employed at the facility in Sherman, Texas, become participants on their employment date.	All employees of the employer covered by the collective bargaining agreement of Teamsters Local #40 and employed at Engineered Wire Products, Inc. become participants on their employment date.
Year of vesting service	A plan year in which the employee completes at least 1,000 hours of service. Service does not accrue after December 31, 1998.	Each full and fractional 12-consecutive-month period of continuous service with an employer.	Each full and fractional 12-consecutive-month period of employment with an employer .	A plan year during which the employee completes 1,000 hours of service.	A plan year during which the employee completes 1,000 hours of service.
Accumulated service	N/A	All periods of employment with an employer while a participant, regardless of whether separated by a break in continuous service.	N/A	N/A	N/A
Year of benefit service	A plan year in which the covered employee completes at least 1,000 hours of service. Service does not accrued after December 31, 1998.	N/A	Each full and fractional 12-consecutive-month period of employment with an employer.	A plan year during which the covered employee completes 1,000 hours of service.	A plan year during which the covered employee completes 1,710 hours of service, not to exceed 40 years. Partial credit is granted for less than 1,710 hours.
Monthly average earnings	N/A	Total cash compensation for services rendered to an employer as a covered employee, including base pay and currently paid incentives averaged over the five calendar years that produce the highest average.	The monthly average of the earnings paid to a participant during any calendar year.	N/A	N/A

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Schedule SB, Part V – Summary of Plan Provisions (Continued)

	Former Desoto	Former Keystone-Bartonville	Former Keystone Steel and Wire	Former Sherman Wire	Former Price Brothers Company (#13 EWP)
Recognized compensation / Earnings	N/A	Regular salary and wages subject to withholding, including base pay and other currently paid incentives accrued during the plan year.	Total cash compensation for services rendered for an employer as a covered employee, including overtime, bonuses, commissions, incentive compensation and salary deferral amounts under Section 401(k).	N/A	N/A
Monthly average wage base earnings	N/A	N/A	The monthly average of the total amount of earnings paid to a participant during any calendar year and considered as wages under Section 3121(a)(1) of the Internal Revenue Code.	N/A	N/A
Normal retirement date	For DeSoto participants, the earlier of age 62 and 20 years of service and age 65. For Prescott participants, age 65.	The first of the month following the attainment of age 65 and the fifth anniversary of the first day of the plan year participation commenced, but in no event later than age 66.	The earlier of the first of the month following (a) the attainment of age 62 and completion of 15 years of vesting service, (b) the attainment of age 65 and completion of five years of vesting service or (c) for an employee who retires due to permanent plant shutdown or layoff (j) with the combination of age and vesting service equal to at least 70 and after the attainment of age 55 or (ii) with the combination of age and vesting service equal to at least 80.	The first day of the month coincident with or following the attainment of age 65 and the fifth anniversary of the first day of the plan year in which participation commenced.	The later of the first day of the month coincident with or following the attainment of age 65 and fifth anniversary of participation.
Special early retirement date	N/A	The earlier of age 62 and completion of 15 years of vesting service, or 30 years of accumulated service, or for an employee who terminates due to permanent plant shutdown or layoff, either a combination of age and vesting service equal to at least 70 with attained age of 55 or a combination of age and vesting service equal to at least 80.	N/A	N/A	N/A
Early retirement date	Age 55 and ten years of service.	The first of the month following the attainment of age 60 and completion of 15 years of vesting service or age 55 and completion of 20 years of vesting service.	The first of the month coincident with or following the attainment of age 60 and completion of 15 years of vesting service.	The first day of the month coincident with or following the attainment of age 60 with the combination of age and years of service equal to 85 or more .	The first day of the month coincident with or following the attainment of age 55 and the completion of 15 years of vesting service.
Disability retirement date	N/A	The first day of the month coincident with or following retirement as a result of "total and permanent" disability after the completion of 15 years of vesting service.	The first day of the month coincident with or following retirement as a result of "total and permanent" disability after the completion of 15 years of vesting service.	The first day of the month coincident with or following retirement as a result of "total and permanent" disability after the completion of 15 years of vesting service.	The first day of the month, six months after the plan administrator determines that the participant is disabled and the attainment of age 50 with the completion of 15 years of vesting service. Proof of social security disability payments or workers' compensation is required.

Schedule SB, Part V – Summary of Plan Provisions (Continued)

	Former Desoto	Former Keystone-Bartonville	Former Keystone Steel and Wire	Former Sherman Wire	Former Price Brothers Company (#13 EWP)
Accrued monthly benefit	<p>Desoto Salaried Participants</p> <p>The greater of (a)-(b) or (c) below:</p> <p>(a) 1-2/3% of average monthly compensation multiplied by years of service, up to 35 years</p> <p>(b) Social Security allowance, as defined by .5% of the lesser of covered compensation and final three-year average compensation (each year limited to the Social Security taxable wage base), multiplied by years of service, up to 35 years</p> <p>(c) 1% of the average monthly compensation multiplied by total years of service</p> <p>Desoto Hourly Participants</p> <p>The greater of (a) or (b) below:</p> <p>(a) 1% of average monthly compensation multiplied by total years of service</p> <p>(b) \$50 per month</p> <p>Prescott Participants</p> <p>The greater of (a) + (b) or (c) below:</p> <p>(a) 3/4% of average monthly compensation multiplied by years of service, up to 35 years</p> <p>(b) 1/2% of the excess of average monthly compensation over covered compensation multiplied by years of service, up to 35 years</p> <p>(c) \$15 multiplied by years of service, up to 40 years.</p>	<p>Monthly benefit equal to the sum of (a) + (b) with a minimum of (c):</p> <p>(a) The participant's accrued benefit, if any, as of December 31, 1980, in an amount equal to 1.2% of the participant's monthly average earnings multiplied by the years of the participant's accumulated service earned prior to January 1, 1981, provided that such amount shall not be less than \$15 per month for each of the first 15 years of accumulated service earned prior to December 31, 1980, plus \$16 per month for each year of accumulated service from the fifteenth through the thirtieth year plus \$18 per month for each year in excess of 30 earned prior to December 31, 1980</p> <p>(b) An amount equal to 1.2% of the participant's recognized compensation up to the Social Security Taxable Wage Base, plus 1.75% of the participant's recognized compensation in excess of the Social Security Taxable Wage Base for each year of accumulated service after December 31, 1980</p> <p>(c) \$42 per month multiplied by years of benefit service.</p>	<p>Monthly benefit equal to the sum of (a) + (b) + (c) + (d) below:</p> <p>(a) The participant's accrued benefit, if any, as of June 30, 1982, in accordance with the terms of the predecessor plans</p> <p>(b) An amount equal to 1.2% of the participant's monthly average wage base earnings, plus 1.75% of the participant's monthly average earnings in excess of the participant's monthly average wage base earnings for each full and fractional year of service from July 1, 1982 through June 30, 1989</p> <p>(c) An amount equal to 1.2% of the participant's monthly average earnings, plus for nonhighly compensated employees, 0.55% of the participant's monthly average earnings in excess of the participant's monthly average wage base earnings for each full and fractional year of service from July 1, 1989 through December 31, 1993</p> <p>(d) An amount equal to 1.2% of the participant's monthly average earnings for each full and fractional year of service on or after January 1, 1994.</p>	<p>Monthly benefit equal to \$8 times years of benefit service for a participant retiring on or after September 1, 1984, and before September 1, 1985. For participants retiring on or after September 1, 1985, and before September 1, 1986, a monthly benefit equal to \$8.50 times years of benefit service. For participants retiring on or after September 1, 1986, and before September 1, 1987, a monthly benefit equal to \$9 times years of benefit service. For participants retiring on or after September 1, 1987, and before March 1, 1991, a monthly benefit equal to \$10 times years of benefit service. For participants retiring on or after March 1, 1991, a monthly benefit equal to \$12 times years of benefit service. For participants retiring on or after April 16, 2000 and before October 15, 2005, a monthly benefit equal to \$13 times years of benefit service. For participants retiring on or after October 16, 2005, a monthly benefit equal to \$15.00 times years of benefit service. No more than 30 years of benefit service shall be considered.</p>	<p>Monthly benefit equal to \$20 times years of benefit service for a participant retiring on or after December 1, 1998. No more than 40 years of benefit service shall be considered. The monthly benefit increases to \$21 effective December 1, 1999, and \$22 effective December 1, 2001.</p>
Normal retirement benefit	An amount equal to the accrued benefit payable monthly and commencing at the normal retirement date.	An amount equal to the accrued benefit payable monthly and commencing at the normal retirement date.	An amount equal to the accrued benefit payable monthly, and commencing at the normal retirement date.	An amount equal to the accrued benefit payable monthly, and commencing at the normal retirement date.	An amount equal to the accrued benefit payable monthly, and commencing at the normal retirement date.

Keystone Employees' Retirement Plan for Inactive Participants
 EIN: 370364250 | PN: 461
 2012 Form 5500 Schedule SB

Schedule SB, Part V – Summary of Plan Provisions (Continued)

	Former Desoto	Former Keystone- Bartonville	Former Keystone Steel and Wire	Former Sherman Wire	Former Price Brothers Company (#13 EWP)										
Late retirement benefit	An amount equal to the accrued benefit payable monthly and commencing at the late retirement date, based upon benefit service to the late retirement date.	An amount equal to the accrued benefit payable monthly, and commencing at the late retirement date, based upon benefit service and compensation to the late retirement date.	An amount equal to the accrued benefit payable monthly, and commencing at the late retirement date, based upon benefit service and compensation to the late retirement date.	An amount equal to the accrued benefit payable monthly, and commencing at the late retirement date, based upon benefit service to the late retirement date.	An amount equal to the accrued benefit payable monthly, and commencing at the late retirement date, based upon benefit service to the late retirement date.										
Early retirement benefit	<p>For DeSoto participants, the accrued benefit at date of termination reduced by 0.5% for each month by which the commencement date precedes age 62, unless the participant terminates prior to age 55, in which case the reduction is from age 65</p> <p>For former Prescott employees, the accrued benefit at date of termination reduced by 0.3% for each of the first 60 months and 0.5% for any months in excess of 60, by which the commencement date precedes the normal retirement date.</p>	An amount equal to the accrued benefit if retiring on special early retirement date. Otherwise, an amount equal to the accrued benefit actuarially reduced from age 62.	An amount equal to the actuarial equivalent of the normal retirement benefit, adjusted so as to reflect the early commencement of payments.	<p>The accrued benefit at date of termination reduced by the following factors for payments beginning prior to normal retirement date:</p> <p><u>Retirement age Percentage</u></p> <table><tr><td>64</td><td>8.16%</td></tr><tr><td>63</td><td>15.40%</td></tr><tr><td>62</td><td>21.86%</td></tr><tr><td>61</td><td>27.64%</td></tr><tr><td>60</td><td>32.82%</td></tr></table>	64	8.16%	63	15.40%	62	21.86%	61	27.64%	60	32.82%	The accrued benefit at date of termination reduced by one-fifteenth for each of the first five years and one-thirtieth for each of the next five years by which the payment date precedes the normal retirement date.
64	8.16%														
63	15.40%														
62	21.86%														
61	27.64%														
60	32.82%														
Disability retirement benefit	N/A	An amount equal to the participant's accrued benefit as of the date of disability, payable monthly commencing as of normal retirement date. An additional \$300 per month will be paid until the participant is eligible for social security disability benefits.	An amount equal to the participant's accrued benefit as of the date of disability, based upon assumed service at normal retirement date, payable monthly commencing as of normal retirement date.	An amount equal to the accrued benefit payable monthly, and commencing at the disability retirement date, but no less than \$25 per month.	An amount equal to the accrued benefit payable monthly, and commencing at the disability retirement date.										
Deferred vested benefits	Any participant will be vested in his accrued benefit upon the completion of five years of vesting service.	A participant actively employed on or after January 1, 1989, will be vested in his accrued benefit at termination after completion of five years or more of vesting service	A participant actively employed on or after January 1, 1989, will be vested in his accrued benefit at termination prior to early retirement after the completion of five years or more of vesting service	Any participant employed on or after January 1, 1989, will be vested in his accrued benefit at termination prior to normal retirement after completion of five years or more of vesting service	Five years or more of vesting service required to be vested in accrued benefit, payable at normal retirement. Alternatively, may commence payments early reduced the same as early retirement benefit										
Preretirement spouse's death benefit	The vested portion of the accrued benefit that would have been payable to the surviving spouse, assuming the participant had separated from service on the date of death, survived to the early retirement date, retired with an immediate 50% joint and survivor pension, then died the following day.	The surviving spouse of a vested participant who dies prior to commencement of benefit is entitled to 50% of the benefit that the participant would have received if he/she terminated on the day prior to his/her death, survived to the latest retirement date and then retired. The benefit is reduced for early commencement and joint and survivor form of payment.	The surviving spouse of a vested participant who dies prior to commencement of benefit is entitled to 50% of the benefit that the participant would have received if he/she terminated on the day prior to his/her death, survived to the latest retirement date and then retired. The benefit is reduced for early commencement and joint and survivor form of payment.	The vested portion of the accrued benefit that would have been payable to the surviving spouse, assuming the participant had separated from service on the date of death, survived to the early retirement date (if applicable), retired with an immediate 50% joint and survivor pension, then died the following day.	The vested accrued benefit that would have been payable to the surviving spouse, assuming the participant had separated from service on the date of death, survived to the earliest retirement date (if applicable), retired with an immediate 50% joint and survivor pension, then died the following day.										

Keystone Employees' Retirement Plan for Inactive Participants
 EIN: 370364250 | PN: 461
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Schedule SB, Part V – Summary of Plan Provisions (Continued)

	Former Desoto	Former Keystone-Bartonville	Former Keystone Steel and Wire	Former Sherman Wire	Former Price Brothers Company (#13 EWP)
Supplemental surviving spouse's benefit	N/A	The surviving spouse of a retired or active participant with 15 years of service will receive, beginning the first of the month following the death of the participant, a monthly amount of 50% of the accrued benefit, reduced for joint and survivor option.	The surviving spouse of a retired or active participant with 15 years of service will receive, beginning the first of the month following the death of the participant, a monthly amount of 50% of the accrued benefit, reduced for joint and survivor option, subject to a minimum of \$125 per month until eligibility for social security survivor benefit, and \$75 thereafter.	N/A	N/A
Normal form of benefit	If single, life only annuity; if married, qualified 50% joint and survivor annuity that is the actuarial equivalent of the life only annuity.	If single, life only annuity; if married, qualified 50% joint and survivor annuity that is the actuarial equivalent of the life only annuity.	If single, life only annuity; if married, qualified 50% joint and survivor annuity that is the actuarial equivalent of the life only annuity.	If single, life only annuity; if married, qualified 50% joint and survivor annuity that is the actuarial equivalent of the life only annuity.	If single, life annuity; if married, qualified 50% joint and survivor annuity that is the actuarial equivalent of life annuity.
Optional forms of benefit	Married participants: (i) Life annuity (ii) Optional joint and survivor annuity options (75% or 100%) (iii) Ten-year certain and life annuity.	Annuity, level income life annuity, 50% or 100% joint and survivor.	Annuity, 50% or 100% joint and survivor	50%, 75% or 100% joint and survivor annuity.	5 or 10 years certain and life annuity.
Special provisions for certain groups	N/A	The Metalcrafters Hourly Plan was frozen as of April 15, 1983. Employees are eligible for unreduced early retirement after attainment of age 62. A vested terminated participant who commences benefits prior to age 65 may receive his accrued benefit as early as age 55 reduced by special early commencement factors.	<u>Supplement A</u> Applicable to those participants of the Keystone Consolidated Pension Plan or the Keystone Consolidated Pension Plan Supplement for Keystone Group - Bartonville Salaried Employees as of October 31, 1982, with ten years of vesting service as of such date. Supplement A participants are entitled to a special "rule of 90" normal retirement date if the sum of their age, plus years of vesting service total 90 or more. They are also entitled to a special "30 and out" retirement benefit, providing an unreduced immediate benefit payable in the normal form or as an actuarially equivalent level retirement income benefit. <u>Supplement B</u> Applicable to former employees of the Company who were participants in Keystone Consolidated Pension Plan Supplement for National Lock Division (the "National Lock plan"), Chicago Heights Salaried Pension Plan (the "Chicago Heights plan") or Keystone Chicago Heights Pension Plan (the "Keystone Chicago plan") immediately prior to the merger of the National Lock plan, Chicago Heights plan and Keystone Chicago plan into the Plan effective as of July 1, 1986. All benefit accruals under the National Lock plan were frozen as of June 30, 1982. All benefit accruals under the Chicago Heights plan and the Keystone Chicago plan were frozen as of December 19, 1985.	N/A	N/A

Schedule SB, Part V – Summary of Plan Provisions (Continued)

	Former Desoto	Former Keystone-Bartonville	Former Keystone Steel and Wire	Former Sherman Wire	Former Price Brothers Company (#13 EWP)
Special provisions for certain groups (continued)			<p><u>Supplement C</u> Applicable to those participants in the plan who were participants in the Keystone Consolidated Industries, Inc. Salaried Pension Plan immediately prior to its merger with the Keystone Steel & Wire Pension Plan effective as of June 30, 1989. Supplement C participants are entitled to a special "rule of 90" normal retirement date if the sum of their age plus years of vesting service totals 90 or more.</p> <p>The "early retirement date" of a Supplement C participant who was first credited with an hour of service before July 1, 1986, is the first day of the calendar month coincident with or next following the date he retires on or after attaining age 60 years and completing ten years of vesting service, but only with respect to benefits accrued on or before June 30, 1989. These participants are also entitled to special disability and preretirement spouse's death benefits.</p>		
Medicare Reimbursement	N/A	Employees who are entitled to retiree medical benefits are reimbursed for Medicare Part B coverage of \$96.40 per month for 2011 (applies to National Lock retirees) with annual cost of living increases.	N/A	N/A	N/A
Special Early Retirement Window	N/A	Employees listed in Appendix I of Plan are eligible for enhanced early retirement benefits. The enhanced benefit is equal to 150% of the pension income that is otherwise payable. Eligible employees must make election by November 17, 2000 and retire January 1, 2001.	Employees listed in Appendix I of Plan are eligible for enhanced early retirement benefits. The enhanced benefit is equal to 150% of the pension income otherwise payable. Eligible employees must make election by November 17, 2000 and retire January 1, 2001.	N/A	N/A

Keystone Employees' Retirement Plan for Inactive Participants
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Schedule SB, Part V – Summary of Plan Provisions (Continued)

	Former Desoto	Former Keystone-Bartonville	Former Keystone Steel and Wire	Former Sherman Wire	Former Price Brothers Company (#13 EWP)
Special payments for 1114 participants	None	<p>Effective August 1, 2008, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following payments from the plan:</p> <p>1) \$143 for the month of August 2008</p> <p>2) \$163 for the months of September – December 2008</p> <p>3) One-time payment of \$240 plus \$20 for each month in 2008 prior to September 2008</p> <p>Effective December 30, 2008, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following payments from the plan:</p> <p>1) \$160 per month for 2009.</p> <p>Effective January 1, 2010, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following additional payments from the plan:</p> <p>2) \$164 per month for 2010</p> <p>Effective January 1, 2011, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following additional payments from the plan:</p> <p>3) \$168.10 per month for 2011</p> <p>Effective January 1, 2012, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following additional payments from the plan:</p> <p>4) \$172.30 per month for 2012</p>	<p>Effective August 1, 2008, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following payments from the plan:</p> <p>1) \$143 for the month of August 2008</p> <p>2) \$163 for the months of September – December 2008</p> <p>3) One-time payment of \$240 plus \$20 for each month in 2008 prior to September 2008</p> <p>Effective December 30, 2008, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following payments from the plan:</p> <p>1) \$160 per month for 2009.</p> <p>Effective January 1, 2010, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following additional payments from the plan:</p> <p>2) \$164 per month for 2010</p> <p>Effective January 1, 2011, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following additional payments from the plan:</p> <p>3) \$168.10 per month for 2011</p> <p>Effective January 1, 2012, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following additional payments from the plan:</p> <p>4) \$172.30 per month for 2012</p>	None	None
Changes since prior valuation	None	<p>Effective January 1, 2012, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following additional payments from the plan:</p> <p>1) \$172.30 per month for 2012</p>	<p>Effective January 1, 2012, eligible 1114 participants, participants' spouses and surviving spouses are to receive the following additional payments from the plan:</p> <p>1) \$172.30 per month for 2012</p>	None	None
Special Note	*This division was sold effective December 31, 1998. Benefits and service do not accrue after December 31, 1998.				

**KEYSTONE EMPLOYEES' RETIREMENT PLAN FOR INACTIVE
PARTICIPANTS**

FINANCIAL STATEMENTS

December 31, 2011 and 2012

with

REPORT OF INDEPENDENT AUDITORS

KEYSTONE EMPLOYEES' RETIREMENT PLAN FOR INACTIVE PARTICIPANTS

Index of Financial Statements

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Sutton Frost Cary LLP

A Limited Liability Partnership
Certified Public Accountants and Consultants

Report of Independent Auditors

To the Participants and Administrator of
Keystone Employees' Retirement Plan for Inactive Participants:

We have audited the accompanying financial statements of the Keystone Employees' Retirement Plan for Inactive Participants ("Plan"), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Keystone Employees' Retirement Plan for Inactive Participants as of December 31, 2012 and 2011, and the changes in its net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets (Held at End of Year) referred to as "supplemental information," is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



A Limited Liability Partnership
Certified Public Accountants

October 7, 2013
Arlington, Texas

KEYSTONE EMPLOYEES' RETIREMENT PLAN FOR INACTIVE PARTICIPANTS

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2011 and 2012

	<u>2011</u>	<u>2012</u>
Assets:		
Cash and cash equivalents	35	180
Investments, at fair value:		
Investments in units of The Combined Master Retirement Trust	<u>\$407,909,207</u>	<u>\$443,002,085</u>
Total investments	<u>407,909,207</u>	<u>443,002,065</u>
Total assets	407,909,242	443,002,265
Liabilities - fees payable	<u>96,341</u>	<u>67,104</u>
Net assets available for benefits	<u>\$407,812,901</u>	<u>\$442,935,161</u>

KEYSTONE EMPLOYEES' RETIREMENT PLAN FOR INACTIVE PARTICIPANTS

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Years ended December 31, 2011 and 2012

	<u>2011</u>	<u>2012</u>
Additions:		
Net increase in fair value of units of The Combined Master Retirement Trust	-	65,020,829
Fair value of units of The Combined Master Retirement Trust transferred from the Keystone Employees' Retirement Plan	\$ 51,076,744	\$ -
Other income	<u>20,830</u>	<u>26,758</u>
Total additions	<u>51,097,574</u>	<u>65,047,587</u>
Deductions:		
Benefits to participants	29,709,018	29,532,171
Net decrease in fair value of units of The Combined Master Retirement Trust	15,535,531	-
Administrative expenses	<u>431,721</u>	<u>393,156</u>
Total deductions	<u>45,676,270</u>	<u>29,925,327</u>
Net increase in net assets available for benefits	5,421,304	35,122,260
Net assets available for benefits:		
Beginning of year	<u>402,391,597</u>	<u>407,812,901</u>
End of year	<u>\$407,812,901</u>	<u>\$442,935,161</u>

KEYSTONE EMPLOYEES' RETIREMENT PLAN FOR INACTIVE PARTICIPANTS

NOTES TO FINANCIAL STATEMENTS

Note 1 - Description of Plan:

General. The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

The Plan is a non-contributory defined benefit plan for certain inactive employees of Keystone Consolidated Industries, Inc. ("Keystone") as of January 1, 2006 (the "Effective Date") not covered by a collective bargaining agreement including those previously employed at the following divisions: Keystone Steel and Wire ("KSW"), Keystone Fasteners (which was sold by Keystone on August 28, 2003) and the corporate office. The Plan also covers certain inactive employees as of the Effective Date previously employed at the following subsidiaries: Sherman Wire Company (formerly DeSoto, Inc.) ("Sherman"), including its DeSoto Division through December 31, 1998, Fox Valley Steel and Wire which was sold on January 1, 2001, Engineered Wire Products, Inc. ("EWP") and Sherman Wire of Caldwell, Inc., whose operations permanently ceased on July 3, 2003. In addition, the Plan covers inactive bargaining unit employees as of the Effective Date previously employed at KSW and retirees as of the Effective Date of Keystone's former MetalCrafters division and J.L. Prescott, Inc., a wholly-owned subsidiary of Sherman, and retirees as of the Effective Date of the former DeSoto Division of Sherman, which was sold by Sherman on January 1, 1999. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Contran Corporation ("Contran") beneficially owned approximately 88% of Keystone as of December 31, 2012. Substantially all of Contran's outstanding voting stock is held by trusts established for the benefit of certain children and grandchildren of Mr. Harold C. Simmons, of which Mr. Simmons is sole trustee. Keystone may be deemed to be controlled by Contran and Mr. Simmons.

Contributions. The contributions to the Plan are designed to fund at least the minimum required by ERISA. For the years ended December 31, 2011 and 2012, the Company made no contributions to the Plan due to the full funding limitations imposed by the Internal Revenue Code of 1986, as amended, (the "Code").

Transfer of assets. As participants who retire or are no longer employed with Keystone are transferred to the Plan from the Keystone Employees' Retirement Plan, assets are also transferred to cover the related benefit payments for these participants. In 2011, assets in the amount of \$51,076,744 were transferred to the Plan.

Pension benefits. All participants are 100% vested after five years of service, as defined, and are entitled to receive monthly pension benefits beginning at normal retirement date (generally age 65). A participant's benefits are calculated based upon a percentage of the participant's average monthly compensation, as defined. The percentage rate used depends on the section of the Plan covering the participant.

Benefit payment options available at the time of retirement are straight life annuity, 10-year certain annuity and joint and survivor annuity (100%, 75% and 50%). The Plan permits early retirement with reduced benefits, as specified in the Plan.

Disability and death benefits. The Plan includes provisions for disability and for survivor's benefits for beneficiaries of participants who die after completion of at least one year of service, as defined.

Plan termination. The Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, in compliance with the provisions of ERISA. In the event the Plan is terminated, the accrued benefits of each participant would become fully vested to the extent funded. The net assets of the Plan, after providing for liquidation expenses, are to be allocated to participants and beneficiaries in accordance with Section 4044 of ERISA. To the extent unfunded vested benefits exist, ERISA provides that such benefits are payable to participants by the Pension Benefit Guaranty Corporation, subject to certain limitations.

Expenses of administering the Plan. The administrative expenses are paid by the Plan.

Tax status. The Plan obtained a favorable "determination letter" from the Internal Revenue Service ("IRS") dated February 2, 2012. The Plan had no significant uncertain tax positions for the years ended December 31, 2011 and 2012. The Plan's Annual Return/Report of Employee Benefit Plan is subject to examination by the IRS for three years from the date of filing.

Note 2 - Summary of significant accounting policies:

Basis of accounting. The financial statements of the Plan are prepared in accordance with accounting principles generally accepted in the United States of America.

Cash and cash equivalents. Cash equivalents consist principally of bank time deposits with original maturities of three months or less.

Payment of benefits. Benefits are recorded when paid.

Management estimates. The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results may, in some instances, differ from previously estimated amounts.

Risks and uncertainties. The actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

The Plan indirectly invests in a variety of stocks, bonds, fixed income securities, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. In addition, the Plan on occasion sells securities short which obligates the Plan to purchase securities in the future at the then market price. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Plan's statement of net assets available for benefits.

Subsequent events. The Plan has evaluated subsequent events through October 7, 2013, the date these Financial Statements were available to be issued.

Note 3 - Investments:

General. Investments are stated at fair value. See below for discussion of fair value measurements. Net appreciation (depreciation) consisting of realized and unrealized gains and losses for the years ended December 31, 2011 and 2012 is reflected in the Plan's statements of changes in net assets available for benefits and is based on the value of assets at the beginning of the year or at the date of purchase during the year.

At December 31, 2011 and 2012, significantly all of the assets of the Plan were held and related investment transactions were executed by U.S. Bank National Association ("U.S. Bank") as Trustee of the Keystone Consolidated Industries, Inc. Master Retirement Trust II (the "Keystone Trust"). The Keystone Trust invests in units of The Combined Master Retirement Trust (the "Combined Trust"), a collective investment trust formed by Valhi, Inc. ("Valhi"), a majority-owned subsidiary of Contran. The Combined Trust provides for the collective investment of part or all of the assets of various employee benefit plans maintained by Keystone and certain other Contran affiliated corporations (the "Qualified Plans"). Harold C. Simmons is the trustee of the Combined Trust and may be deemed to control Keystone, Contran and Valhi.

At December 31, 2012, the Combined Trust consists of a (i) CMRT Subaccount which holds cash equivalents for the benefit of certain of the Qualified Plans, (ii) CMRT Subaccount 3 which holds securities issued by Valhi, Inc. for the benefit of certain of the Qualified Plans and (iii) CMRT Primary Subaccount, which holds all of the remaining assets of the Combined Trust for the benefit of all of the Qualified Plans. Prior to December 2012, the CMRT Subaccount also held securities issued by Titanium Metals Corporation ("TIMET") for the benefit of certain of the Qualified Plans. The Plan only holds units in the CMRT Primary Subaccount and the CMRT Subaccount.

Investments held by the Combined Trust are stated at fair value. The fair value per CMRT Primary Subaccount unit and CMRT Subaccount unit is determined semi-monthly by dividing the total fair value of the net assets of the CMRT Primary Subaccount and the CMRT Subaccount, respectively, by the number of units outstanding for each subaccount. Units are issued or redeemed based on the most recent unit value. In accordance with the plan of trust, net income from investment activities is distributed only through the redemption of units.

The CMRT Subaccount's assets at December 31, 2011 included 15,434,604 shares of TIMET common stock, representing 9% of the outstanding shares of TIMET. The fair value of the TIMET common stock held by the CMRT Subaccount represented 35% of the combined total assets of the CMRT Primary Subaccount and CMRT Subaccount at December 31, 2011 and 99.37% of the CMRT Subaccount's total assets at December 31, 2011.

In December 2012, the Combined Trust elected to sell all of its shares of TIMET common stock for \$254.7 million (\$16.50 per share) pursuant to a cash tender offer by a third party. The \$254.7 million proceeds received by the Trust from the sale of its shares of TIMET common stock were transferred from the CMRT Subaccount to the CMRT Primary Subaccount and were invested in a cash equivalent at the end of 2012. Following completion of the TIMET tender offer, the TIMET Master Retirement Trust ("TIMET Trust"), one of the Qualified Plans, ceased participation in the Combined Trust, and in January 2013 the TIMET Trust withdrew its assets from the Combined Trust, which consisted of \$61.3 million in cash from the CMRT Primary Subaccount and all assets held in Subaccount 3 (the TIMET Trust had a 100% interest in Subaccount 3). Subsequently in January 2013, the Combined Trust redeployed the remaining proceeds from the TIMET sale into other investments in the CMRT Primary Subaccount. In February 2013, the remaining cash equivalents in the CMRT Subaccount were transferred to the CMRT Primary Subaccount.

The Combined Trust's assets at December 31, 2011 and 2012 included 115,000 shares of Valhi common stock.

At December 31, 2012, the CMRT Primary Subaccount and the CMRT Subaccount had net assets of \$726,210,120 and \$199,705, respectively (December 31, 2011 - \$426,847,058 and \$232,670,732, respectively). Summarized combined financial information of the CMRT Primary Subaccount and the CMRT Subaccount at December 31, 2011 and 2012, and the combined statements of changes in net assets for the years then ended, are presented below.

Statements of Net Assets

	December 31,	
	2011	2012
Investments, at fair value:		
Securities:		
Common and preferred stocks	\$492,541,418	\$309,792,879
Mutual funds	92,263,030	84,540,212
Limited partnerships	52,725,928	57,468,339
Corporate bonds and other fixed income securities	3,999,999	3,999,999
Real estate:		
Limited partnerships	778,339	778,339
Real estate mortgage notes	1,515,527	1,515,527
Cash and cash equivalents	15,538,784	268,074,946
Total investments	659,363,025	726,170,241
Accrued interest and dividends	195,137	178,450
Other assets	170,553	61,134
Total assets	659,728,715	726,409,825
Liabilities -		
Payable for unsettled securities purchases	210,925	-
Net assets	<u>\$659,517,790</u>	<u>\$726,409,825</u>
Number of Combined Trust units outstanding:		
Primary Subaccount	<u>482,887</u>	<u>709,028</u>
Subaccount	<u>94,343</u>	<u>73</u>
Net asset value per Combined Trust unit:		
Primary Subaccount	<u>\$ 883.95</u>	<u>\$ 1,024.23</u>
Subaccount	<u>\$ 2,466.21</u>	<u>\$ 2,745.88</u>

Statements of Changes in Net Assets

	Years ended December 31,	
	2011	2012
Investment activities:		
Interest and dividends	\$ 10,579,352	\$ 16,964,739
Partnership distributions and other	94,630	133,976
	<u>10,673,982</u>	<u>17,098,715</u>
Investment, administrative and other expenses	1,122,378	1,217,199
Net investment income	<u>9,551,604</u>	<u>15,881,516</u>
Net realized and unrealized change in fair value of investments:		
Securities:		
Common and preferred stocks	(22,910,898)	72,710,126
Mutual funds	(15,609)	5,871,485
Limited partnerships	(217,434)	11,048,271
Corporate bonds and other fixed income securities	(926,996)	-
Real estate	<u>81,148</u>	<u>-</u>
Total net realized and unrealized increase (decrease) in fair value of investments	<u>(23,989,789)</u>	<u>89,629,882</u>
Net increase (decrease) from investment activities	<u>(14,438,185)</u>	<u>105,511,398</u>
Unit transactions:		
Proceeds from issuance of units	10,203,088	264,711,366
Payments for redemption of units	<u>(48,477,912)</u>	<u>(303,330,729)</u>
Net decrease from unit transactions	<u>(38,274,824)</u>	<u>(38,619,363)</u>
Net increase (decrease) in net assets	(52,713,009)	66,892,035
Net assets at beginning of year	<u>712,230,799</u>	<u>659,517,790</u>
Net assets at end of year	<u>\$659,517,790</u>	<u>\$ 726,409,825</u>

At December 31, 2012, the Keystone Trust owned, for the benefit of the Plan, (i) 432,386 units or 61% of the CMRT Primary Subaccount's total units (279,321 units or 58% at December 31, 2011) and (ii) 50 units or 68% of the CMRT Subaccount's total units (65,284 units or 69% at December 31, 2011).

Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures*, establishes a consistent framework for measuring fair value and beginning on January 1, 2008 this framework is generally applied to all financial statement items required to be measured at fair value. The standard requires fair value measurements to be classified and disclosed in one of the following three categories:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 - Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the assets or liability; and
- Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable.

The asset fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the combined investments of the CMRT Primary Subaccount and the CMRT Subaccount as of December 31, 2011 and 2012.

	Fair Value at Reporting Date Using			
	Total	Quoted Prices in Active Markets (Level 1) (In thousands)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2011:				
Securities:				
Common and preferred stocks:				
Industrial Materials	\$294,232	\$294,232	\$ -	\$ -
Consumer Discretionary	51,847	35,364	-	16,483
Education	40,141	-	-	40,141
Information Technology	28,400	28,400	-	-
Foreign	21,957	21,957	-	-
Healthcare	20,884	20,669	-	215
Financial	18,615	18,359	-	256
Energy	12,796	12,796	-	-
Telecom Services	3,669	3,669	-	-
Total common and preferred stocks	492,541	435,446	-	57,095
Mutual funds:				
Fixed income funds	88,722	88,722	-	-
Growth funds	3,541	3,541	-	-
Total mutual funds	92,263	92,263	-	-
Limited partnerships	52,726	-	5,145	47,581
Corporate bonds and other fixed income securities	4,000	-	-	4,000
Real estate:				
Limited partnerships	778	-	-	778
Real estate mortgage notes	1,516	-	-	1,516
Cash and cash equivalents	15,539	15,539	-	-
Total investments at fair value	<u>\$659,363</u>	<u>\$543,248</u>	<u>\$ 5,145</u>	<u>\$110,970</u>

Fair Value at Reporting Date Using				
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Total</u>	(In thousands)		
December 31, 2012:				
Securities:				
Common and preferred stocks:				
Industrial Materials	\$ 86,995	\$ 86,995	\$ -	\$ -
Consumer Discretionary	65,048	38,089	-	26,959
Education	39,404	-	-	39,404
Information Technology	27,721	27,721	-	-
Foreign	20,107	20,107	-	-
Healthcare	27,271	27,271	-	-
Financial	28,276	27,264	-	1,012
Energy	11,791	11,791	-	-
Telecom Services	3,180	3,180	-	-
Total common and preferred stocks	309,793	242,418	-	67,375
Mutual funds:				
Fixed income funds	80,939	80,939	-	-
Growth funds	3,601	3,601	-	-
Total mutual funds	84,540	84,540	-	-
Limited partnerships	57,468	-	6,006	51,462
Corporate bonds and other fixed income securities	4,000	-	-	4,000
Real estate:				
Limited partnerships	778	-	-	778
Real estate mortgage notes	1,516	-	-	1,516
Cash and cash equivalents	268,075	268,075	-	-
Total investments at fair value	<u>\$726,170</u>	<u>\$595,033</u>	<u>\$ 6,006</u>	<u>\$125,131</u>

The following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2012.

Common and preferred stocks: Investments that are valued at the closing price reported on the active market on which the individual securities are traded are classified within Level 1. Investments that trade infrequently or not at all, but are valued based on recent third-party transactions in the investment, third party valuations during the year, forecasted operating results, potential mergers or sales and other unobservable inputs, are classified within Level 3.

Mutual funds: Investments are valued at the daily closing price as reported by the fund. Mutual funds held by the Trust are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Combined Trust are deemed to be actively traded, thus are classified within Level 1.

Securities - Limited partnerships: Investments classified within Level 2 are valued at the closing price reported on the active market on which the individual securities are traded adjusted for contractual obligations. Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all. The selection of appropriate valuation techniques such as the market approach, income approach or cost approach varies

by investment and may be affected by the availability of relevant inputs as well as the relative reliability of inputs. The inputs used in estimating the value of Level 3 investments may include original transaction prices and recent transactions in the same or similar instruments, financial information obtained from the issuer, current and projected financial condition and results of operations of the issuer, current and projected ability of the issuer to service its debt obligations and meet its contractual obligations, current and projected financial, liquidity and performance ratios and information applicable to the issuer, current or projected debt or capital restructuring of the issuer, information regarding any offers or proposals regarding the acquisitions or dispositions of the issuer and/or the investment, completed or pending third-party transactions in the underlying investment or comparable issuers, length of time since investment was made, rights and terms of securities, and other unobservable inputs. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed.

Corporate bonds and other fixed income securities: Investments that trade infrequently or not at all, and are valued based on original transaction price, are classified within Level 3.

Real estate: Limited partnerships classified within Level 3 are valued based on the partnership's valuations adjusted for contractual obligations and the partnership's analysis of current market conditions. Real estate mortgage notes are valued based on the developer's estimate of actual and projected sales for the projects.

Cash and cash equivalents: Investments are valued at the NAV of \$1.00 per share based on frequent transactions, in which the NAV was \$1.00 in all transactions.

The following table sets forth a summary of changes in the fair value of the combined Level 3 assets of the CMRT Primary Subaccount and the CMRT Subaccount for the years ended December 31, 2011 and 2012.

	Level 3 Assets					
	Securities			Real estate		
	Total	Common and preferred stock	Limited partnerships (In thousands)	Corporate bonds	Limited partnerships	Mortgage notes
Level 3 fair value at December 31, 2010:	\$ 113,494	\$51,435	\$ 54,943	\$4,927	\$ 656	\$1,533
Realized losses, net	(3,951)	2,760	-	(927)	(5,784)	-
Unrealized gains, net	10,507	7,644	(3,026)	-	5,906	(17)
Purchases	1,952	256	1,696	-	-	-
Sales	(11,032)	(5,000)	(6,032)	-	-	-
Level 3 fair value at December 31, 2011	110,970	57,095	47,581	4,000	778	1,516
Realized gains, net	791	791	-	-	-	-
Unrealized gains, net	21,209	11,022	10,187	-	-	-
Purchases	2,260	750	1,510	-	-	-
Sales	(10,099)	(2,283)	(7,816)	-	-	-
Level 3 fair value at December 31, 2012:	<u>\$ 125,131</u>	<u>\$67,375</u>	<u>\$ 51,462</u>	<u>\$4,000</u>	<u>\$ 778</u>	<u>\$1,516</u>
The amount of total gains (losses) for 2012 included in net decrease in net assets resulting from operations attributable to the net change in unrealized gains relating to Level 3 assets still held at December 31, 2012						
	<u>\$ 21,209</u>	<u>\$11,022</u>	<u>\$ 10,187</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Combined Trust's policy is to recognize transfers into and out of Level 3 as of December 31st. There were no transfers between levels in the fair value hierarchy during 2011 and 2012. Additional information concerning the Combined Trust's significant Level 3 assets as of December 31, 2012 is presented below. Except as otherwise noted, the Combined Trust has no unfunded commitments with respect to these investments at December 31, 2012.

Common and preferred stocks: This class includes investments in privately held companies primarily in the consumer discretionary and education industries that are focused on growth. The Combined Trust's investment in these companies can only be sold with the approval of the respective issuer.

Limited partnerships: This class includes investments in private equity funds that have different areas of focus with the goal of capital appreciation. One investment with a fair value of \$13.0 million at December 31, 2012 may be partially redeemed without approval of the partnership management with 60 days notice to the partnership, and another investment with a fair value of \$1.4 million at December 31, 2012 may be redeemed without approval of the partnership management on a monthly basis with 90 days notice to the partnership. The remaining investments may be redeemed with the approval of the general partner of the partnership. If the Combined Trust remains invested, distributions will be made from investments as the underlying investments of the partnerships are liquidated.

The agreements covering certain of the Combined Trust's limited partnership interests contain provisions that obligate the Combined Trust to invest additional amounts when and as determined by the general partner. Each of the commitment periods are subject to extension and amendment as provided in the respective limited partnership agreements. The Combined Trust had \$1.5 million in remaining commitments at December 31, 2012 of which \$.2 million had been funded through October __, 2013. At December 31, 2012, the commitment periods for the limited partnership interests with remaining commitments expire in 2014 through 2023.

Corporate bonds: This class includes investments in corporate bonds. At December 31, 2012, this class consists of an investment in bonds issued by The Whitney International University System Ltd. ("Whitney") (aggregate principal amount of \$4 million; aggregate fair value of \$4 million) which are convertible at the Combined Trust's option, at any time, into common shares of Whitney at a price of \$4.75 per share.

The following table summarizes the valuation methodology and significant unobservable inputs used for the Combined Trust's investments in securities that are categorized within Level 3 of the fair value hierarchy as of December 31, 2012:

<u>Assets</u>	<u>Fair value at December 31, 2012</u>	<u>Valuation Technique (In thousands)</u>	<u>Unobservable inputs</u>	<u>Range of inputs (Weighted Average)</u>
Common and preferred stocks:				
Education	\$ 39,404	Market Approach/ Market Comparables	Appraised value	70% - 100% (100%)
Consumer Discretionary	26,959	Income Approach/ Discounted Cash Flows	EBITDA multiple Cost of capital	5.5x - 7.5x 19.1% - 22.0%
Financial	1,012	Market Approach/ Market Comparables	Recent transaction in same security	N/A
Total common and preferred stocks	<u>67,375</u>			
Securities -				
Limited partnerships:				
Private equity fund- Telecom services	17,380	Market Approach/ Market Comparables	Comparable sales Recapitalization Tower cash flow	N/A N/A 17x - 20x
Private equity fund- General	13,014	Income Approach/ Discounted Cash Flows	Book value multiple Capitalization rate EBITDA multiple Illiquidity discount Size premium Weighted average cost of capital	1x - 1.34x 11% 4x - 11x (5.7x) 15% - 20% (16.8%) 3% - 11.8% (5.4%) 7.2% - 18.4% (11.5)%
		Market Approach/ Market Comparables	Appraised value Book value multiple EBITDA multiple Illiquidity discount Net earnings multiple Revenue multiple	50%-100% (97%) 1.34x - 1.6x (1.54x) 3.64x - 11x (8.0x) 15% 26x 0.65x
Private equity fund- Industrial Materials	11,964	Income Approach/ Discounted Cash Flows	EBITDA multiple	5x
Private equity funds- General	3,613	Income Approach/ Discounted Cash Flows	EBITDA multiple	5x
Private equity fund- General	2,279	Market Approach/ Market Comparables	50% M&A Comparable and 50% Publicly Traded Comparable Companies Price/Assets Price/Book Price/Earnings Price/Deposits Tangible Book Premium/ Core Deposits Lack of marketability discount	 2.14% - 15.68% 0.41x - 1.52x 7.61x - 25.79x 2.49% - 18.59% 0.00% - 9.38% 15%
Private equity funds- General*	<u>3,212</u>			
Total securities - limited partnerships	<u>51,462</u>			
Corporate bonds and other fixed income securities	4,000	Cost Approach	Original transaction price	N/A
Total Level 3 securities	<u>\$122,837</u>			

* Consists of several private equity funds not considered significant for disclosure of valuation methodology and unobservable inputs.

Note 4 - Actuarial present value of accumulated benefits:

Accumulated benefits are those estimated future payments that are attributable under the Plan's provisions to the services employees have rendered. Accumulated benefits include benefits expected to be paid to (i) retired and terminated participants or their spouses, (ii) spouses of deceased participants, and (iii) active participants or their spouses. Benefits payable under all circumstances (retirement, death, disability and termination of employment) are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated benefits is determined by independent actuaries and is the amount that results from applying actuarial assumptions to adjust the accumulated benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. Actual valuations are determined at January 1 of each Plan year.

The significant actuarial assumptions used in the valuations as of December 31, 2011 and 2012 were: (i) life expectancy of participants - the RP 2000 Combined Mortality Table for Males and Females with Blue Collar Adjustment, updated in 2011 to project mortality improvements to 2014; (ii) retirement age assumption - ranging from age 62 to 65, if eligible, otherwise age 65; (iii) assumed effective interest rates were 6.85% in 2011 and 6.16% in 2012 based on MAP-21 segment rates; (iv) employee turnover withdrawal table consistent with the Employer's expected experience; disability - none. The foregoing assumptions were based on the presumption the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The actuarial present value of accumulated benefits at December 31, 2011 and 2012 and the changes in the actuarial present value of accumulated benefits for the years then ended are summarized below.

	<u>December 31,</u>	
	<u>2011</u>	<u>2012</u>
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Participants currently receiving payments	\$231,398,133	\$232,805,123
Other participants	<u>31,351,304</u>	<u>32,912,592</u>
	262,749,437	265,717,715
Nonvested benefits	<u>-</u>	<u>-</u>
Total actuarial present value of accumulated plan benefits	<u>\$262,749,437</u>	<u>\$265,717,715</u>
Actuarial present value of accumulated plan benefits at beginning of year	<u>\$202,895,874</u>	<u>\$262,749,437</u>
Change during the year attributable to:		
Increase for interest	17,246,149	14,556,319
Net benefits accumulated and experience	(253,464)	1,403,087
Change in actuarial assumptions and methods	36,321,217	14,631,089
Change in plan provisions	2,799,530	2,716,969
Change due to 4044 transfer	34,686,034	-
Benefits paid to participants adjusted for interest	<u>(30,945,903)</u>	<u>(30,339,186)</u>
Net increase (decrease)	<u>59,853,563</u>	<u>2,968,278</u>
Actuarial present value of accumulated plan benefits at end of year	<u>\$262,749,437</u>	<u>\$265,717,715</u>

Benefits paid above are different than the amount reported in the Plan's financial statements due to certain timing differences related to benefit payments.

Note 5 - Recent Accounting Pronouncements:

In May 2011 the Financial Accounting Standards Board issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs*. ASU 2011-04 contains technical adjustments and clarifications to more closely align the U.S. GAAP and International Financial Reporting Standards ("IFRS") for fair value and was effective and adopted for annual reporting periods beginning after December 15, 2011. The adoption of this standard did not have a material impact on the Plan's Financial Statements.

KEYSTONE EMPLOYEES' RETIREMENT PLAN FOR INACTIVE PARTICIPANTS

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2012

<u>Description of Investments</u>	<u>Fair Value</u>
Combined Master Retirement Trust Primary Subaccount*	\$442,869,890
Combined Master Retirement Trust Subaccount*	138,195
Cash and cash equivalents	<u>180</u>
	<u>\$443,002,265</u>

* Investment in a "Party-in-interest" entity, as defined by ERISA

Plan Name	KERP FOR INACTIVE EMPLOYEES	EIN:	37-0364250
Plan Sponsor's Name	KEYSTONE CONSOLIDATED IND. , INC.	PN:	461

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